

## IN THE CLAIMS

1. (Original) An auction method, comprising:
  - (a) identifying at least one lot to be auctioned, having a plurality of units and associated auction parameters;
  - (b) transmitting a remaining quantity of units within the lot over a network from a central server to a plurality of remote locations;
  - (c) receiving bid identifications for remaining units within the lot at the contemporaneous offering price from the plurality of remote locations over the network; and
  - (d) decrementing the offering price over time;wherein remaining quantity information and bid identification information are communicated between the central server and a plurality of local servers, each local server communicating with at least one respective remote location, each local server altering a format of information communicated between a remote location and the central server.
2. (Original) The auction method according to claim 1, wherein said local server comprises a rule database, and requires that bid identifications transmitted to said central server conform to rules in said rule database.
3. (Original) The auction method according to claim 1, wherein information communicated between the central server and a remote server is compressed.
4. (Original) The auction method according to claim 1, wherein information is contained in a data packet comprising quantity remaining information for a plurality of lots.
5. (Original) The auction method according to claim 1, wherein the local server and the central server communicate information in packets through a packet switched network.

6. (Currently Amended) An auction method, comprising:
- (a) identifying at least one lot to be auctioned, having a plurality of units within the lot and associated auction parameters;
  - (b) transmitting a remaining quantity of units within the lot from a central server to a plurality of remote locations;
  - (c) receiving bid identifications for remaining units within the lot at the contemporaneous offering price from the plurality of remote locations by communicating between a set of users and a plurality remote servers at respective remote locations to interactively define the bid identifications, and communicating the defined bid identifications between the remote locations and the central server substantially without interactive communications directly between the user and the central server; and
  - (d) decrementing the offering price over time, wherein said decrementing is adaptive to a pattern of bid identifications received.

7. (Currently Amended) The method according to claim 6, wherein the remote server communicates with a user by means of a hypertext language protocol auction extends over a predetermined duration.

8. (Currently Amended) An auction method, comprising:
- (a) identifying at least one lot to be auctioned, having a plurality of units within the lot and associated auction parameters;
  - (b) transmitting a remaining quantity of units within the lot from a central server to a plurality of remote locations;
  - (c) automatically maintaining synchronization of a stock at each remote location and receiving at the central server bid identifications for remaining units within the lot at the contemporaneous offering price associated with a time of bid identification from the plurality of remote locations;
  - (d) decrementing the offering price over time and decrementing the quantity of remaining units, prioritizing award of units based on the time of bid identification, if received within a bid time window; and
  - (e) storing a bid activity pattern in a database.

9. (Original) The auction method according to claim 8, wherein the stored bid pattern activity is analyzed to determine an optimal set of auction parameters for a subsequent auction of a similar lot.

10. (Original) The auction method according to claim 9, wherein the price is decremented over time in a pattern adaptive to a bid activity pattern.

11. (Original) The auction method according to claim 10, wherein the auction parameters define an auction starting price and parameters of an adaptive decrement algorithm.

12. (Original) The auction method according to claim 10, wherein the auction is conducted according to a predetermined schedule.

13. (Original) The auction method according to claim 8, wherein the central server and the local server communicate using Internet Protocol packets, and the local server and the remote location communicate using Internet Protocol sockets, the local server translating a format of information communicated between the central server and the remote location.

14. (Currently Amended) A method for conducting an auction, comprising the steps of:

identifying a plural quantity of subject for auction;

specifying a temporal parameter for the auction, selected from the group consisting of starting time, ending time, time dilation rule, auction cessation rule, and time-price relationship;

providing a seller yield management system to define a set of supply parameters, including non-zero reserve and available quantity of subject;

receiving buyer demand-utility function from a plurality of prospective buyers, each buyer demand-utility function defining the respective buyer's bid;

over a period of time, generally relaxing a limiting restriction on acceptable transaction parameters for the subject, and awarding prioritizing an award of a quantity of subject to a respective buyer based on, corresponding to a sequence of generation of bids, if received within a bid time window, wherein the sequence is determined based on an automatically synchronized timebase demand-utility function of the buyer, which maximizes a seller utility; and

ending the auction upon the earlier of an expiration of the auction, exhaustion of available quantity, or a surplus of the reserve over all prospective buyer's bids.

15. (Original) The method according to claim 14, wherein the subject of the auction represents an airline ticket.

16. (Original) The method according to claim 14, wherein the specified temporal parameter comprises a starting time, and a declining price over time rule.

17. (Original) The method according to claim 14, wherein a buyer demand-utility function comprises a maximum bid price based on quantity of subject remaining.

18. (Original) The method according to claim 14, wherein a buyer demand-utility function comprises a non-uniform maximum bid price per incremental unit of subject available and a minimum quantity desired for purchase.

19. (Original) The method according to claim 14, wherein a buyer demand-utility function is a function of subject quantity remaining.

20. (Original) The method according to claim 14, wherein the yield management system adaptively defines a quantity of subject for auction and a reserve price to optimize overall profits to seller based on time of auction, an inventory remaining prior to auction, and anticipated market conditions defining demand for the subject.

21. (Original) A method for conducting a transaction, comprising the steps of:

- identifying a subject;
- specifying a set of rules relating to a transaction involving the subject;
- implementing the set of rules of transaction proximate to a client for ensuring compliance with each of said rules;
- efficiently communicating transaction information from the client to a server complying with said rules; and
- receiving, at said server, transaction information from a client.

22. (Original) The method according to claim 21, wherein the rules provide for temporal variations in permissible transaction parameters.

23. (Original) The method according to claim 21, wherein the rules define an auction.

24. (Original) The method according to claim 21, wherein the rules define a descending price auction for multiple subjects.

25. (Original) The method according to claim 21, wherein the subject is a travel ticket.

26. (Original) The method according to claim 25, wherein the subject is a round trip airline ticket, wherein the rules implement stop-over restrictions.

27. (Original) The method according to claim 21, wherein the rules prevent inconsistent itineraries.



28. (Original) The method according to claim 21, wherein the transaction information is transmitted from the client to the server as compressed information in an information packet.
29. (Original) The method according to claim 21, wherein the client and server communicate through the Internet.
30. (Original) The method according to claim 21, further comprising the step of transmitting information from the server to the client relating to the subject, as a parameter for implementation of the rules.
31. (Original) The method according to claim 21, further comprising the step of altering a number of available subjects for transaction over time.
32. (Original) The method according to claim 21, wherein the rules comprise a starting time, and a declining price over time.
33. (Original) The method according to claim 21, wherein the transaction information comprises a buyer demand-utility function.
34. (Original) The method according to claim 33, wherein a buyer demand-utility function comprises a non-uniform maximum bid price per incremental unit of subject available and a minimum quantity desired for purchase.
35. (Original) The method according to claim 25, wherein the rules implement a yield management system.
36. (Original) The method according to claim 25, wherein the server transmits parameters to the client for implementation of a yield management system.

37. (Original) The method according to claim 21, wherein the server identifies a quantity of subject available for transaction and a minimum price of transaction using an airline ticket yield management system to optimize overall profits to seller based on chronology, an inventory of subject remaining, and anticipated market conditions defining demand for the subject.

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